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Control No. 3438
EIC-M-108
30 June 1965

ECONOMIC INTELLIGENCE COMMITTEE

Minutes of Meeting Held in
Room 4 F 31, CIA Headquarters Building
1400 hours, 30 June 1965

PRESENT:

25X1A9a Dr. Otto E. Guthe, CIA, Chairman
[REDACTED] CIA, Vice Chairman
Mr. Morris H. Crawford, Department of State
Mr. William R. Womack, Department of State
Mr. Baxter Wood, Defense Intelligence Agency
Major Thomas C. Stanton, Department of the Army
Dr. Robert A. Kilmarx, Department of the Air Force
25X1A [REDACTED] National Security Agency
Mr. Jerome Forrest, Agency for International Development
Dr. Wilhelm Anderson, Department of Agriculture
Mr. Morton Pomeranz, Department of the Interior
25X1A9a [REDACTED] CIA
L [REDACTED] CIA
25X1A9a [REDACTED] CIA
25X1A9a [REDACTED], CIA, Executive Secretary

INTRODUCTIONS:

The Chairman introduced Mr. Pomeranz, Department of the Interior representative; Dr. Kilmarx, recently designated Department of the Air Force representative to the Committee; and Major Stanton, Department of the Army alternate representative, all of whom were attending their first EIC meeting.

DIA Declassification/Release Instructions on File

* Present for part of meeting.

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ANNOUNCEMENTS:

Membership

The Defense Intelligence Agency proposed the name of Colonel Charles D. Kise, USA, Chief, Transportation Division, Production Center, as Chairman of the EIC Subcommittee on Transportation vice Capt. Raymond G. Hartman, USN, reassigned. No objection was voiced to this nomination and it was agreed that Col. Kise be approved as Chairman, effective 30 June 1965.

The Chairman reported he was advised by the Deputy Director, Office of Emergency Planning, that OEP was withdrawing from associate membership on the EIC and its Subcommittee on Minerals and Metals, because the problems considered were not of direct concern to that agency. The OEP will be glad to provide representatives on an ad hoc basis whenever direct participation is necessary.

Review of External Research Projects

The Chairman reminded members of the Committee's responsibility under DCID 3/1 for review of external economic research projects that might support economic intelligence production of national security interest. He again requested that members submit to the EIC such proposals of which they might be aware for review.

The Chairman noted that the Subcommittee on Agriculture had reviewed the list of contracts submitted by the Department of Agriculture representative and that the listing did not comprise projects requiring EIC coordination.

EIC Contribution on Industrial Technology of Communist China to
SIC Study on Science and Technology in Communist China through
1970

The Chairman reported that the EIC contribution to the SIC study was helpful. The latest draft of the SIC study is not at variance with the original EIC contribution.

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Preliminary Study on Trends in Soviet Foreign Trade

The Chairman reported that a draft of the preliminary ORR study on "Trends in Soviet Foreign Trade" will be available in mid-July and this draft, as usual, will be subject to review and comment by the EIC Representatives of the Departments of State and Commerce prior to publication. He explained that the annual study to be issued in December will include the final trade statistics for calendar year 1964 and as much information as possible for 1965. This report will receive the same review by the Departments of State and Commerce. He further noted that in the future the preliminary study would be published, hopefully, in April and the final study in December.

APPROVAL OF MINUTES:

The minutes of the EIC meeting of 10 February 1965 (EIC-M-107) were approved.

INTELLIGENCE EFFORT AGAINST COMMUNIST CHINA:

The Chairman outlined recent studies undertaken in reviewing the effectiveness of collection activities against Communist China as well as intelligence production on that area. He reported that the USIB is placing great emphasis on doing everything possible to increase collection of information on Communist China. Every effort should be made to improve the quality and quantity of intelligence on Communist China as a matter of highest national concern.

The Chairman noted that the Post-Mortem on NIE 13-3-65, "Communist China's Military Establishment" referred to many military aspects of our knowledge on China and that para. 5 of subject Post-Mortem related to the dearth of economic data on China.

The Chairman requested members, as appropriate, to do whatever they could within their own organizations to foster improved intelligence on Communist China.

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25X1C REPORT ON THE STATUS OF [REDACTED]

25X1A9a The Chairman introduced [REDACTED] Washington Coordinator and
Chairman of the EIC Working Group on the [REDACTED]
who reported on the current status of the Program and described the
25X1C significant changes that have taken place since the Survey Report of the
[REDACTED] in May 1964. (Details will be presented in the
forthcoming Annual Report of the Working Group to the EIC, FY 65.)

25X1C

25X1C The Chairman reported that some time ago his responsibility for
administering [REDACTED] had been transferred by the DCI to the Chief,
Collection Guidance Staff, CIA, but that he retained a direct interest
in the Program since this activity was carried on by a Standing Working
Group of the EIC.

CONSIDERATION OF FUTURE REPORTING ON THE EIC-R14 SERIES,
"AID AND TRADE ACTIVITIES OF COMMUNIST COUNTRIES IN LESS
DEVELOPED AREAS OF THE FREE WORLD":

The Chairman referred to the recommendation of the EIC Working
Group responsible for the preparation of the EIC-R14 series that these
reports, now published semiannually, be issued on an annual basis in
the future. Comments were invited on the three-step proposal approved
and recommended by the Working Group.

It was agreed that the semiannual covering the first half of 1965
(EIC-R14-S19) be of the shorter or interim type; that the semiannual
scheduled for production in January 1966 be the more complete type
and that it cover the entire calendar year rather than the last six months
only; and that, henceforth, the interim semiannual scheduled for pro-
duction in July of each year be discontinued.

It was also agreed that, with the discontinuance of the mid-year
issues of the EIC-R14 series, one mid-year issue of the Biweekly
Report will contain an appendix incorporating selected tabular material
covering the preceding six month period. There was also agreement
that direct print-outs in multiple copy of the full set of tables would be
supplied at mid-year to those agencies requiring this information for
their own special needs.

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FUTURE REPORTING ON THE BIWEEKLY REPORT SERIES (EIC-WGR)

The Chairman referred to the Department of State representative's suggestion that consideration be given to publishing the Biweekly report once each month rather than every two weeks and that, as a first step in considering this proposal, a consumer questionnaire accompany a forthcoming issue of the biweekly.

The Chairman recalled that this series had been initiated in 1956 at the request of Mr. Dodge, Special Assistant to the President for Foreign Economic Policy, to provide coordinated intelligence on the problems of economic penetration of Free World areas. He reported that there might be some savings and some real advantages in changing the biweekly to a monthly publication and that a consumer questionnaire might help toward a decision.

Considerable discussion followed on the pros and cons of a monthly versus a biweekly publication and the Working Group was instructed to prepare a detailed consumer questionnaire that might assist in determining the desirability of changing the present biweekly series to a monthly publication.

DISCUSSION OF PROPOSED SURVEY OF PROFESSIONAL PERSONNEL
DIRECTLY ENGAGED IN ECONOMIC INTELLIGENCE RESEARCH AND
SUPPORT RELATING TO THE NATIONAL SECURITY:

The Chairman recalled that the desirability of conducting this survey had been discussed at the last meeting and stated that the purpose was to bring up to date, in a useful way, a similar EIC survey published in 1958.

Several members indicated reservations within their agencies as to the usefulness of the proposed survey.

The Chairman stated that the EIC was charged with responsibility under DCID 3/1 to periodically survey the facilities and arrangements available to support the production of foreign economic intelligence relating to the national security and that the CIA as well as other agencies could make use of the information contained in the tables in discussions with the Bureau of the Budget.

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Members agreed that further guidance would be required and that perhaps there was too little detail in the draft instructions and forms. The Vice Chairman stated that members would be contacted individually for their suggestions in order to draw up acceptable forms and procedures to be followed in conducting the survey.

OTHER BUSINESS:

The Chairman reported that the Office of the Director of Administrative Management of the Department of Defense, had recommended to the Bureau of the Budget that the EIC Subcommittees on Chemicals, Economic Defense, Minerals and Metals, Industrial Machinery and Equipment, and Electric Power and Solid Fuels be abolished, and that the Bureau of the Budget had forwarded this recommendation to the CIA for the Chairman's consideration. He noted that the Defense Intelligence Agency Representative on the EIC had not been aware of this recommendation.


The Chairman pointed out that these subcommittees had met very infrequently since 1960 and that perhaps the EIC should review this recommendation together with the whole Subcommittee structure. He stressed the fact that if the subcommittees noted were to be abolished, some network of expertise in their respective fields within the community should be maintained on an informal basis.

Due to the lateness of the hour, further discussion of this item was scheduled for a future meeting.


Executive Secretary

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SECRETARY'S NOTES

EIC members approved, by telephone interim action on 6 July 1965, release of EIC-SR5-S5, "Population of the Communist Countries - Selected Years, 1938-80" 

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Members of the General Economic Analysis Subcommittee commented favorably on the proposed extension of the CIA-sponsored external research contract on "National Income and Product of Soviet and Satellite Economies."

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~~SECRET~~Attachment to EIC-M-108
30 June 1965CHANGES FOR DIRECTORY OF EIC PERSONNEL
(EIC-D-587, 15 January 1965)25X1A9a ECONOMIC INTELLIGENCE COMMITTEE - Associate Members, page 5,
DELETE [REDACTED]

Federal Mr. Paul Gekker Code 147
Reserve Division of International Finance x 330
System Board of Governors of the Federal
Reserve System
Room 3244, Federal Reserve Bldg.
(No Alternates)

page 6, DELETE Office of Emergency Planning

page 6, change of address for USIA:

Alexander G. Park
Room 1004-E, 1750 Pennsylvania Ave., N. W.

Warren F. Phelps (Alternate)
Room 1002, 1750 Pennsylvania Ave., N. W.

25X1A9a SUBCOMMITTEE ON CHEMICALS
DELETE [REDACTED] CIA, ADD

25X1A9a [REDACTED] Code 143
Central Intelligence Agency x 7911
Room 5 F 19, CIA Headquarters Building

25X1A9a SUBCOMMITTEE ON INTERNATIONAL TRADE AND FINANCE
DELETE [REDACTED]

Federal Mr. Paul Gekker Code 147
Reserve Division of International Finance x 330
System Board of Governors of the Federal
Reserve System
Room 3244, Federal Reserve Bldg.

Mr. Carl H. Stem (Alternate) Code 147
Division of International Finance x 510
Board of Governors of the Federal
Reserve System
Room 3250, Federal Reserve Bldg.

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SUBCOMMITTEE ON SHIPBUILDING

Navy
(Continued)

Lt. Wesley Sweat becomes Member

ADD

Charles Jedlicka, Jr. (Alternate)

Code 11
x 67908

STIC

Department of the Navy

Bldg. 52, Naval Observatory

EIC WORKING GROUP ON AID AND TRADE ACTIVITIES

Change in DIA representation

Defense
Intelligence
Agency

John E. May

Code 11
x 85822

DIA AP 1 R 2

Defense Intelligence Agency

Arlington Hall Station

Dorothy E. Runge

Code 11
x 85751

DIA AP 1 R 3

Defense Intelligence Agency

Arlington Hall Station

EIC WORKING GROUP

DELETE Lt. Col. James O. O'Neal

25X1C

Air Force

Major Matthew J. Foley

Code 192
x 39240

AFNIABD

Department of the Air Force

Ft. Belvoir, Virginia

EIC SUBCOMMITTEE ON PETROLEUM

DELETE Lt. Col. Robert A. Henderson, Alternate

Defense
Intelligence
Agency
(Continued)

John Sparkman (Alternate)

Code 11
x 85191

DIA AP 1 R 2

Defense Intelligence Agency

Arlington Hall Station

EIC SUBCOMMITTEE ON MINERALS AND METALS

DELETE Office of Emergency Planning

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